



Virginia Housing Development Authority (VHDA) was created in 1972 to provide affordable mortgages to low to moderate income Virginia residents. VHDA sells tax-exempt mortgage bonds & is an approved seller to GNMA & FNMA securities.

VHDA receives no federal or state funding. VHDA is an authority of the Commonwealth of Virginia.

#### What Do We Do?

- Provide and service mortgages, primarily for first-time homebuyers and developers of quality rental housing
- Teach free homeownership education classes
- Work with lenders, REALTORS, developers, local governments, community service organizations & other groups to help put quality housing within the reach of every Virginian.

#### **How Do We Do It?**

- Approved Lender Network
- Direct Channel
- In-house servicing



### **Borrower Eligibility Requirements**

To be eligible for a VHDA loan, all borrowers and non-borrowers on title must be first-time homebuyers

VHDA's definition of a first time homebuyer is an individual who hasn't had an ownership interest in their primary residence within the last three years.

#### First-Time Homebuyer Exceptions

- Homebuyers who have owned a manufactured home in the past 3 years, but it was non-fixed to a permanent foundation.
- Homebuyers who own rental property, etc., as long as they have not lived in the property for the past 3 years.
- Conventional programs (without MCC, DPA Grant or Plus 2<sup>nd</sup> Mortgage)
- Homebuyers buying in <u>Areas of Economic Opportunity aka</u> <u>Federal Targeted Areas</u>).

#### **Income/Sales Price/Loan Amount Limits**

Area	Maximum Gross Household Income				Sales Price/Loan Limits
	2 or Fewer People		3 or More People		
	Standard	With VHDA DPA or CCA Grant	Standard	With VHDA DPA or CCA Grant	New & Existing Construction
Washington-Arlington-Alexandria	\$138,200	\$110,500	\$161,300	\$129,000	\$525,000
Charlottesville	\$90,000	\$72,000	\$105,000	\$84,000	\$375,000
Richmond	\$98,400	\$78,700	\$114,900	\$91,900	\$425,000
Norfolk-VA Beach-Newport News	\$90,400	\$72,300	\$105,400	\$84,300	\$390,000
Culpeper Rappahannock Warren	\$92,300 \$88,500 \$86,200	\$73,800 \$70,800 \$68,900	\$107,700 \$103,300 \$100,600	\$86,100 \$82,600 \$80,400	\$450,000
King George	\$92,600	\$74,000	\$106,900	\$85,500	\$300,000
All Other Areas of Virginia	\$84,000	\$67,200	\$96,600	\$77,200	\$270,000

#### **Homeownership Education**

- Homebuyer Education is required for all borrowers that are first-time homebuyers
  - Fannie Mae Variance: Required for one of all first-time homebuyers unless originated with DPA Grant, Plus Second, &/or MCC
- Complete VHDA course, HUD Approved Counseling Agency course, or Fannie Mae Framework course
- VHDA course is online or in person
- Homebuyer Education Certificate is valid for 2 years
- Contact: <u>housingeducation@vhda.com</u>

## **Credit Underwriting Requirements**

- VHDA generally underwrites to Agency guidelines with very few exceptions!
- All loan programs have a maximum DTI of 45.00000%
- Minimum credit scores required:

620 on FHA/VA/USDA,

640 on Conventional Reduced MI

660 on Conventional No MI

# Types of Financing VHDA Offers

- FHA Fixed
- VA Fixed
- RHS Fixed

Plus Second Mortgage

- Fannie Mae Reduced MI
- Fannie Mae No MI



#### **Government Insured Programs**

- FHA/VA/RHS loans 96.5%/100%/100% LTV
- Follow industry guidelines Ginnie Mae pools
- 620 credit score minimum, 45% max DTI
- First-time buyer requirement







Committed to the future of rural communities.

#### **Fannie Mae Programs**

- No MI & Reduced MI loans 97% LTV
- Follow industry guidelines
- 660/640 credit score minimum, 45% max DTI
- Repeat buyers allowed
- Limited cash-out refinances permitted



#### **Plus Second Mortgage**

- Second mortgage that allows for 100-101.50% maximum financing
- 30 yr fixed rate
- First-time buyer program
- Can be used with other non-VHDA DPA grants



# Plus Second Mortgage

Helping with the entire down payment!

- Eligible VHDA First Mortgage Purchase Programs:
  - Fannie Mae No MI & Reduced MI
  - FHA

(Ineligible: RD, VA, refinances, & non-VHDA first mortgages)

#### Max Second LTV:

LTV	Program	<b>Credit Score</b>	
3%	Fannie Mae	< 680	
3.5%	FHA		
4.5%	Fannie Mae	>/= 680	
5%	FHA		

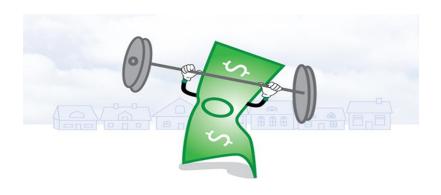
<sup>\*</sup>Additional 1.5% for closing costs

<sup>\*&</sup>lt;u>All</u> borrowers must have 680 credit score for additional closing cost funds

#### **Specialty Programs**

Mortgage Credit Certificate Program







#### **DPA Grant**

Helping with the down payment!

- Eligible VHDA First Mortgage Purchase Programs:
  - Fannie Mae No MI & Reduced MI
  - FHA

(Ineligible: RD, VA, refinances, & non-VHDA first mortgages)

Maximum Grant Amount:

Amount:	Program:
2%	Fannie Mae
2.5%	FHA

\*Lesser of sales price or appraised value

# Closing Cost Assistance Grant Program!

- Eligible VHDA First Mortgage Purchase Programs:
  - USDA
  - VA
  - (Ineligible: Fannie Mae, FHA, non-VHDA mortgages, refinances)
- Maximum Grant Amount: 2% of the lesser of the purchase price or appraised value
- Can be used only for closing costs, discount points, prepaids and upfront USDA Guarantee and VA Funding Fees



#### MCC

- Dollar-for-dollar credit against a tax liability
- Equal to 20% of the annual mortgage interest paid (the remaining 80% is still a tax deduction)
- Can be used with standard deduction/itemized return
- Effective for the life of the mortgage as long as the borrower lives in the home
- Available on all our purchase products first time buyer

#### **MCC Videos**







Thank you for time!